

MINUTES
UTAH STATE LPG BOARD
April 2, 2004

BOARD MEMBERS PRESENT

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| Lynn Froerer | Chair, LP Gas Board |
| Mark Harris | Vice Chair, LP Gas Board |
| Jim Johnson | LP Gas Board Member |
| Edward Martin | LP Gas Board Member |
| Scott Sowards | LP Gas Board Member |
| Randy Austin | LP Gas Board Member |

STAFF PRESENT

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|----------------|-----------------------------|
| Brent Halladay | State Fire Marshal's Office |
| Margo Densley | State Fire Marshal's Office |
| Hugo Rico | State Fire Marshal's Office |
| Myron Milgrom | State Fire Marshal's Office |

PRESENT

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| Bret Steel | SS Supply Inc. |
| Tom Clark | Mountain States LP Gas |
| Richard Burgston | Pacer Utah LP Gas |
| Robert Voortmeyer | Suburban Propane |
| Ralph Ballard | B & L Fill Gas |

Meeting began at 10:00 AM at the Murray City Hall with Chairman Lynn Froerer presiding.

Item #1 on the agenda was Board meeting called to order and Chairman Lynn Froerer welcomed everyone to the meeting. Board member Kevin Eldredge asked to be excused. Brent Halladay of the State Fire Marshal's Office stated that State Fire Marshal Gary Wise and Deputy Fire Marshal Ron Gustaveson had asked to be excused.

Item #2 on the agenda was reading and approval of the minutes of the January 16, 2004 Board meeting. Chairman Froerer asked for any additions or corrections. Mark Harris made the motion to approve the minutes with one correction and Scott Sowards seconded the motion. All Board members voted in favor.

Item #3 on the agenda was a report by Ron Gustaveson of the activities of the division and monies collected. Due to the absence of Ron Gustaveson, Brent Halladay distributed the LP Gas Division Activity Report to the Board members and explained that through the month of March the office

brought in \$93,024.29. Last year through the month of April we brought in \$95,000.00.

Item #4 on the agenda was a report to the Board by State Fire Marshal Gary Wise on the 2004 Legislative session. Due to the absence of Fire Marshal Gary Wise, Brent Halladay explained that there was no Legislation this year that directly affected the LP Gas industry, except with regards to the budget. However, there were a number of items that did effect the Fire Service. Senate Bill 1 is the Bill that appropriates all of the monies for the State to function. The Legislature gave \$4,412,800 from the General Fund Restricted Account to Fire Academy Support, which includes the Fire Marshal's Office. This is the money that is given to our office out of the restricted account. It is not money that is given to us for the total running of the office. They also have figured for the last two years an additional \$232,000 that we will collect from dedicated credits. We have tried to get the Legislature to lower the amount this year to \$165,000 in collections, and they would not do so. The monies that comes from the LP Gas program, Fireworks Licenses, Portable Fire Extinguisher and Hood System License and Certification collections and now as of the first of March, Automatic Fire Sprinkler Systems Certification for Inspection, supposedly will make up the \$232,000. As of yesterday along with our \$93,000 in collections for LP Gas, we have collected \$28,591 for Portable Fire Extinguishers and Hood Systems and \$8,198 for Fireworks. The Sprinkler program is just coming into effect. If you take the monies that we collect, we are forecasting a \$60,000 short fall to reach the \$232,000. We are already forecasting in our office a \$20,000 deficit. That is if we meet the \$165,000. The Department of Public Safety is a million dollars in the red. The State Fire Marshal's Office will still function. Ronald Gustaveson, Myron Milgrom, and Hugo Rico will still be out doing collections. However, this office will limit some travel and other expenses for the rest of this fiscal year. Discussion was held on this matter. The Fire Marshal was also given \$1,227,900 for Fire Operations that's our office plus the dedicated credits and then there is also a portion of our office that comes out of the \$3,421,600 of what just less than 2.5 million dollars goes to run the Fire Academy in Provo. The rest of the money stays in our office for public education and to provide for two or three other people in our office. Also, in the section for fees there has been one change. The fee for the inspection of one private LP Gas container was dropped from \$150 to \$75. This will hurt our collections. However, the Fire Marshal's Office and the Commissioners felt that this was the right thing to do. Discussion was held on this matter. Mark Harris asked if the Board would need to ratify this change in fees. Brent explained that this should be done. Mark Harris made the motion to approve this change in fees and Jim Johnson seconded the motion. All voted in favor.

Item #5 on the agenda was a report to the Board by Brent Halladay of the June 30, 2004 term completion of the following Board members: Mark A. Harris, Vice Chair; Randall "Randy" Austin; Jim R. Johnson; and H. Scott Sowards. Brent explained that Vice Chair, Mark A. Harris and H. Scott Sowards' second term ends as of June 30, 2004. It has been the policy of this administration, that after two terms the Governors Office seeks someone new. Brent also stated that Randy Austin and Jim Johnson's first term ends on June 30, 2004 and asked them if they would let Brent know if they wish to be reappointed. The Fire Marshals office will be mailing LP Gas Board Member Nomination Ballots to the propane industry. This ballot is to nominate an active member of the LP Gas industry to be considered to fill the two LP Gas Board member positions that are open this year. Each opening is for a term of four years beginning on July 1, 2004 through June 30, 2008. Those active members receiving the most nominations up to 12 members will be submitted to Governor Walker's office for her decision on these appointments.

Item #6 on the agenda was a presentation to the Board by Brent Halladay seeking direction from the LP Gas Board on the definition of “industrial cylinder exception” with regard to Overfill Protection Device (OPD) as required in NFPA, Standard 58, Section 2.3.1.5. Brent Halladay explained that the Fire Marshal’s Office received a request for direction from one of our distributors in the southern part of the State. There has been some concern with regard to filling non OPD containers. The reference was to fill them for usage and how should they be identified and marked. Brent explained that Exception No.1 refers to all cylinders used in industrial truck service, including forklift truck cylinders and cylinders identified and used for industrial welding and cutting gases. Brent explained that some of the farmers in the state are unable to get sufficient BTUs for large weed burners out of the new OPD valve systems that we use. Brent asked Hugo Rico of the Fire Marshal’s Office to research this problem and report to the board. Hugo distributed information to the Board including an OPD Fact Sheet, information from NFPA 58, and much information from the Manchester Tank Company. Hugo explained this information to the Board to include information on excess flow valves, hand burners, OPD valves, and floor maintenance equipment. Hugo also explained that the Manchester Tank Company feels that these cylinders should not be exempt from using OPD valves. Instead, they recommend using a larger tank for some applications including weed burning. Bret Steel, SS Supply Co., explained that the older OPD valves were more restrictive and that the newer valves flow very well. Ralph Ballard, B & L Fill Gas, also addressed the Board and explained that he feels an exception should be made for weed burning, roofing and some other industrial uses. Ralph suggested that these tanks be labeled and a log kept on them. After much discussion from the audience and the Board, Chairman Lynn Forerer suggested that the Board vote on this matter. Mark Harris made a motion to vote on this matter. Randy Austin seconded the motion. The vote was unanimous. That there will be no allowance for exception to the currently adopted rule.

Item # 7 on the agenda was pass out newly adopted R710-6, LP Gas Rules, to the Board that went into effect on April 1, 2004. Brent Halladay explained to the Board that there was one change in R710-6-1.2. The new 2002 edition of NFPA Standard 54 will now be used.

Item #8 on the agenda was a report to the Board by Hugo Rico of the LP Gas accident that occurred on March 11, 2004, at Fruitland, Utah. Hugo Rico of the Fire Marshal’s Office reported to the Board that on March 11, between 8:00 A.M. and 9:00 A.M., a Mountain States Propane trailer pup was involved in an accident near Fruitland on Highway 40. The trailer pup’s left front tire blow out as it was coming around a curve. The pup rolled and slid across the road for approximately 30 feet then it went down an embankment, jumped a ditch and went airborne for about 15 feet before coming to a stop. There was minimal damage to the highway. The damage to the truck was estimated at \$30,000.00. There was no evidence of fault with the trucking company, and all of the safety devices on the tank held in tact. A citation was issued to the driver for losing control of the vehicle. Four thousand gallons of propane was safely unloaded from the tank. Chairman Lynn Froerer explained that this was a traffic accident not a propane accident.

Item #9 on the agenda was Old Business. There was no Old Business to discuss.

Item #10 on the agenda was New Business. Mark Harris of the Board explained that the LP Gas industry is trying to fight back on the issue of high liability insurance. Mark stated that some states are sponsoring legislation that would limit some of the LP Gas industries liability and he feels that the LP Gas industry in our State may do the same.

Brent Halladay explained that there are two dispensing stations at the Ute Tribal Nation that are filling non OPD containers. Scott Sowards of the Board stated that those dispensers are owned by his company and that he provides training to the employees involved twice a year. During this training the employees are directed not to fill non OPD containers that are in the 4 lb. to 40 lb. range. However, there is a very large turnover in employees. Myron "Mel" Milgrom of the Fire Marshal's Office explained that he has also had reports of this kind of activity happening on the tribal nation. However, he has never actually seen anyone filling non OPD containers. Brent explained that the Ute Tribal Nation and the Fire Marshal's Office may need to seek some help from the Tribal Council with this problem.

Mel explained that overall the LP Gas industry is probably the safest that it has ever been. However, there are some safety problems with the exchange cabinets that the Fire Marshal's Office we will be checking on. Chairman Lynn Froerer stated that the market has shifted to include a large number of exchange cabinets and that the local fire jurisdiction may be of some help to keep them in proper operation.

Bret Steel stated that there is now a racing fuel, that is a high octane fuel, and asked if that would be in our jurisdiction. Brent explained that this fuel is a new thing and that the next edition of the fire code will probably address it. Brent also explained that the propane industry is as safe as it has ever been and we have seen less accidents in the last few years.

Item #11 on the agenda was next meeting date and time. It was decided that June 18, 2004, at 10:00 A.M. would be the next meeting date at the Murray City Hall. Mark Harris made a motion to adjourn the meeting and Jim Johnson seconded the motion. Chairman Lynn Froerer adjourned the meeting.